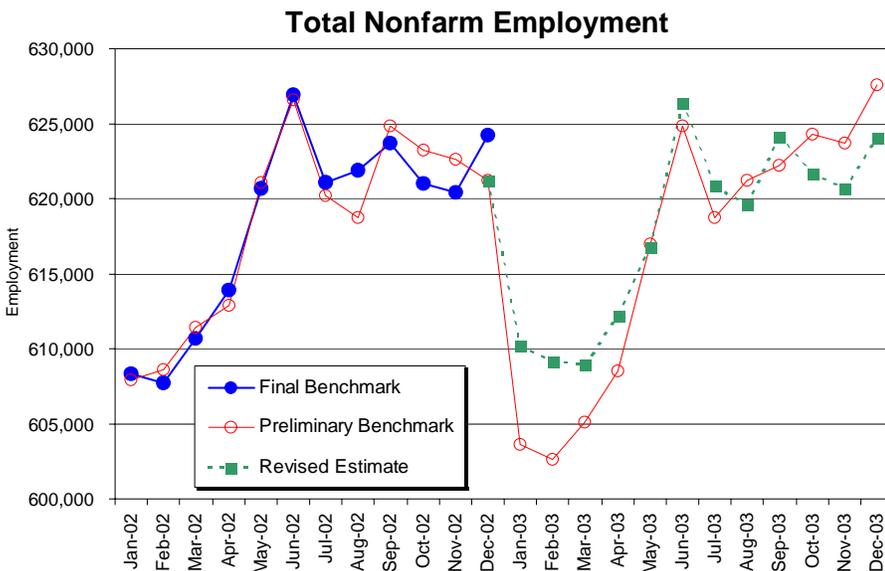


Current Employment Statistics

Nonfarm Employment & Earnings Estimates

Preliminary 2003 & Final 2002 Benchmark

The Current Employment Statistics (CES) survey provides employment estimates for states and areas on a monthly basis. Benchmarking is an annual re-anchoring of the sample-based employment estimates to the full population employment counts to eliminate survey sample errors. Data from Unemployment Insurance (UI) tax records filed quarterly by nearly all employers are primarily used as the universe count. The UI universe count covers over 97 percent of total nonfarm employment. The adjustment takes into account the number of employees presumed not covered by unemployment insurance.



Final 2002 benchmark

The final 2002 benchmark estimated total nonfarm employment at 618,400 for the year, a decrease of 8,800 from the final 2001 benchmark. The final 2002 benchmark was revised upward only 100 from the preliminary 2002 benchmark.

On a month-to-month basis, the final benchmark was revised upward six of the twelve months and downward the other six months. The variances ranged from an overestimation of 2,200 in both October and November to an underestimation of 3,200 in August.

Definition of revised estimate and preliminary and final benchmarks

The revised estimate is published in the month following the initial release. The reason behind this revision is that a larger share of sample data became available. The graphs show revised estimates only back to December 2002. Prior to then revised CES estimates were done in the Standard Industrial Classification system. In January 2003, CES converted to the North American Industry Classification System. To avoid a series break, historical data were converted to NAICS. The 2002 monthly revised estimates were converted to NAICS through the preliminary benchmark process. The preliminary estimates for December 2002 were also converted to NAICS when revised in order to compare this data with January 2003 preliminary estimates. In other words December 2002 revised (pre-benchmarked) estimates and December 2002 preliminary benchmark estimates were re-aligned.

The preliminary benchmark is the re-anchoring of the revised estimate with the UI universe through the first and second quarter of the prior year. In addition, preliminary third quarter UI data is taken into account.

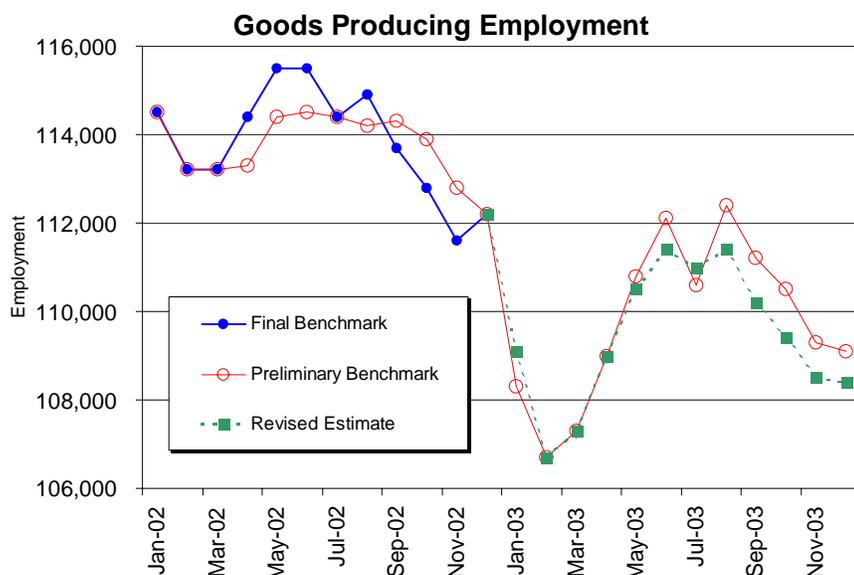
The final benchmark adjusts preliminary benchmark estimates with revised UI data for all four quarters. As the preliminary benchmark estimates have already been adjusted using UI universe counts for first and second quarter, the final benchmark for these two quarters generally does not differ from the preliminary benchmark.

Preliminary 2003 benchmark

The preliminary 2003 benchmark, done in early 2004, estimated total nonfarm annual average employment at 616,600. The preliminary benchmark was adjusted downward 1,300 or 0.2 percent from the revised (pre-benchmarked) estimate.

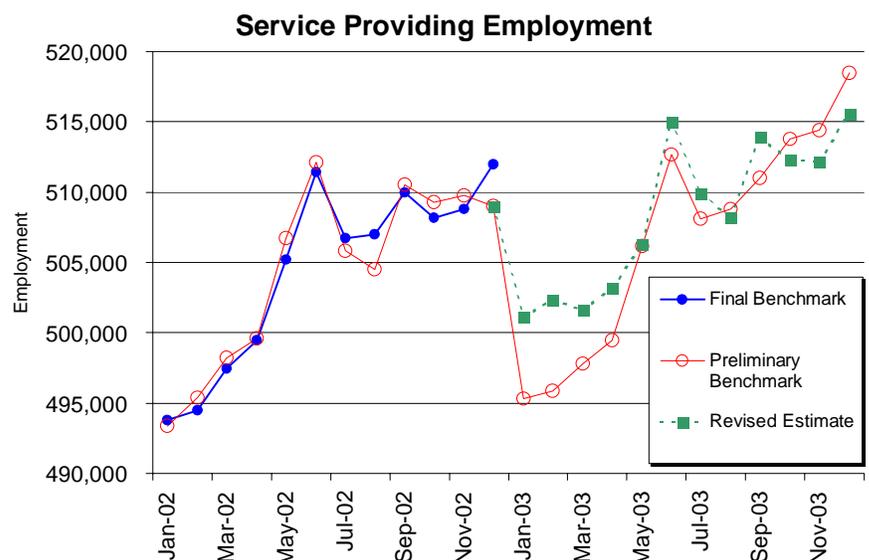
The revised estimates were adjusted downward in seven of the twelve months and upward in the other five months of 2003. The largest variance occurred in January when the revised estimates were adjusted downward by 6,600, followed by another downward adjustment in February of 6,500. Keep in mind, although these adjustments seem large, they account for only about one percent of the total employment in the state.

The variances decreased each month until May when the preliminary benchmark was adjusted upward only 200 from the revised estimate. The gap widened again during the third and fourth quarters; the largest variance in the second half of the year was in December 2003, where the preliminary benchmark was adjusted upward by 3,600.

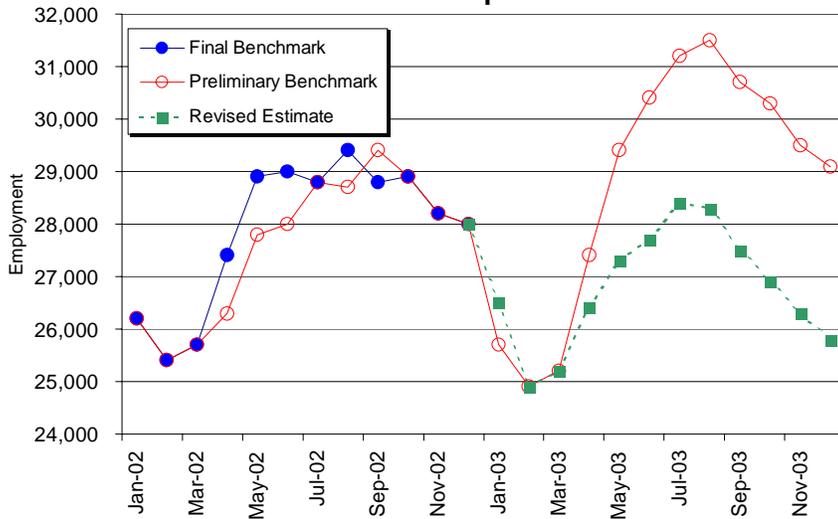


The preliminary 2003 benchmark for Goods Producing industries adjusted annual average employment upward just 400 or 0.4 percent from the revised (pre-benchmarked) estimates. Of the three Goods Producing supersectors, Construction was adjusted upward, Manufacturing was adjusted downward, and Natural Resources and Mining required nominal adjustments.

During the 2003 preliminary benchmark process, annual average employment in the Service Providing industries was adjusted downward 1,700 or 0.3 percent from the revised (pre-benchmarked) estimates. Although six of the eight Service Providing supersectors required downward employment adjustments totaling about 3,400, the upward adjustment of 1,400 necessary in Professional and Business Services offset about half of that. The Financial Activities supersector needed nominal adjustments to the revised employment estimates.



Construction supersector



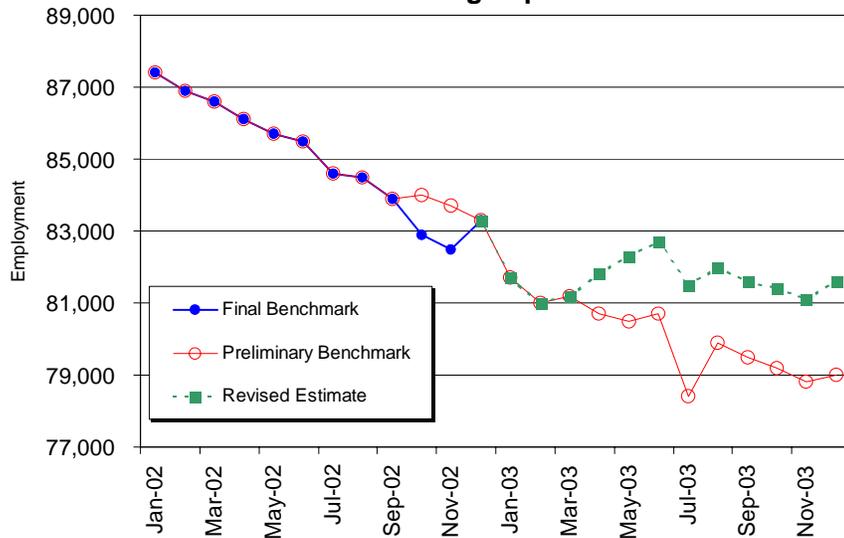
an upward adjustment of about 2,000 or 7.5 percent from the revised (pre-benchmarked) estimates. On a month-to-month basis, the preliminary benchmark was right in line with the revised estimates for two of the first three months of the year. Starting in the second quarter, however, the variance between the two widened. The April preliminary benchmark was adjusted upward by about 1,000 or 3.8 percent. By August the preliminary benchmark adjusted employment upward about 3,200, an increase of more than 12.0 percent. The variance for the rest of the year stayed this high.

Goods Producing Construction supersector

Total nonfarm employment in the Construction supersector increased about 700 from 2001 to an annual average of 27,900 in 2002. During the second quarter of 2002 and in August, the final 2002 benchmark adjusted employment up from the preliminary 2002 benchmark anywhere from 700 to 1,100 each month. In September, the final 2002 benchmark adjusted employment down 600 from the preliminary benchmark.

The preliminary 2003 benchmark estimated total nonfarm Construction in the Granite State at 28,800 for the year,

Manufacturing supersector



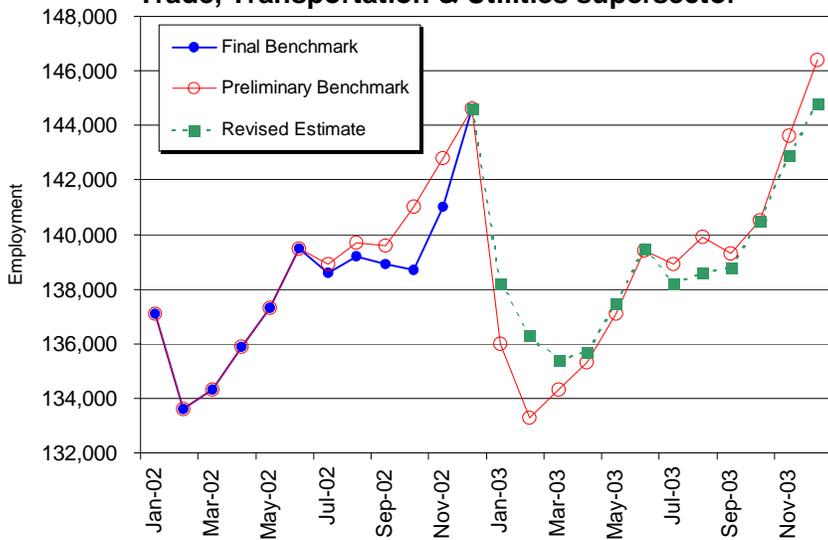
employment data during the final 2002 benchmark, every month was adjusted downward during the preliminary 2003 benchmark. The downward adjustments ranged from a low of 1,100 or 1.3 percent in April to a high of 3,100 or 3.8 percent in July.

Manufacturing supersector

The Manufacturing supersector lost about 13 percent of its employment from 2001 to 2002. The 2002 final benchmark estimated employment at 85,000 for the year. Employment levels for both October and November had to be re-adjusted upward just over 1,000 each from the preliminary 2002 benchmark estimates. The other ten months required nominal adjustments.

Total nonfarm Manufacturing employment in the Granite State was adjusted downward 1,600 during the preliminary 2003 benchmark to an annual average of 80,100. Except for the first quarter, which was re-anchored to the covered

Trade, Transportation & Utilities supersector



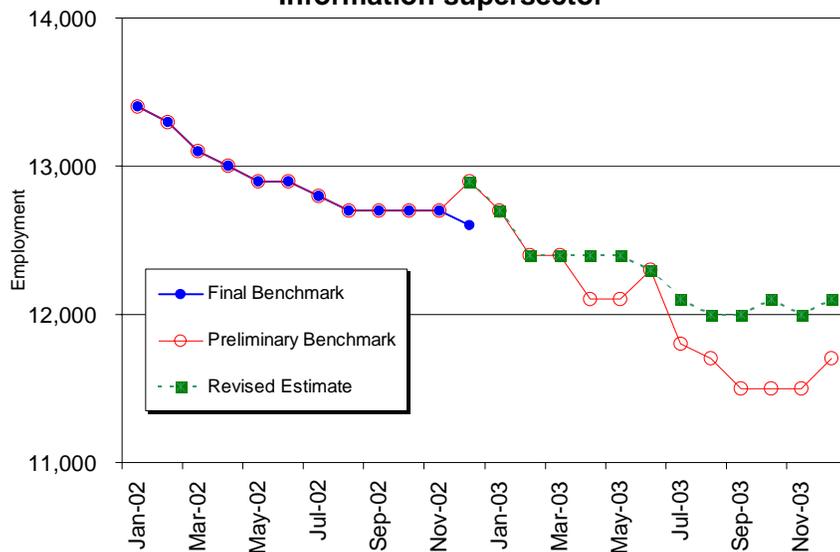
**Service Providing
Trade, Transportation, and
Utilities supersector**

From 2001 to 2002 employment in the Trade, Transportation, and Utilities supersector increased about 900 to an annual average of 138,200 in 2002. During the second half of the year, the 2002 final benchmark estimates were re-adjusted upward from the preliminary benchmark estimates. These adjustments ranged from 300 or 0.2 percent in July to 2,300 or 1.6 percent in October.

The preliminary 2003 benchmark estimated annual average employment at about 138,700, a downward adjustment of 200 from the revised (pre-benchmarked) estimates.

The largest adjustments in 2003 happened in the first two months of the year; January was adjusted down about 2,200 and February was adjusted down 3,000. March saw a downward adjustment of about half that seen in January. Six of the last nine months had monthly adjustments of less than 1,000 each. August and December were adjusted up 1,300 and 1,600, respectively. October required no employment adjustment during the benchmark process.

Information supersector

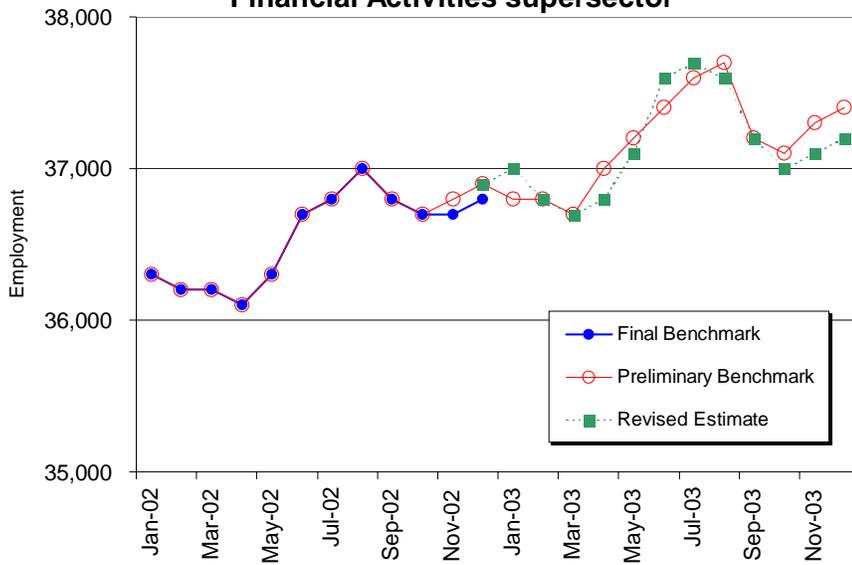


Information supersector

The final 2002 benchmark's annual average employment for the Information supersector decreased 800 from 13,700 in 2001 to 12,900 in 2002. Comparing the 2002 preliminary benchmark to the 2002 final benchmark, only December was re-adjusted downward by 300 jobs or 2.3 percent.

The annual average preliminary 2003 benchmark showed a decrease in employment by 900 from final 2002 benchmark. The annual average employment for the Information supersector was 12,000. The revised (pre-benchmarked) estimate and preliminary benchmark stayed the same for four of the first six months of 2003. For the rest of the months in 2003, the preliminary 2003 benchmark was downward adjusted between 300 and 600 jobs or 2.4 to 5.2 percent.

Financial Activities supersector

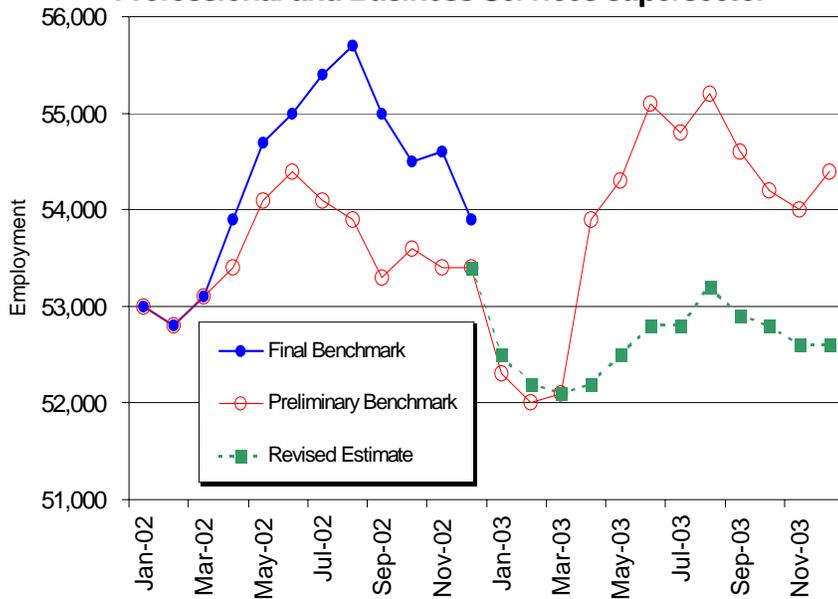


Financial Activities supersector

The Financial Activities supersector's final benchmark increased 900 to an annual average of 36,600 in 2002. The preliminary 2002 benchmark was only re-adjusted downward by 100 jobs for the last two months of the year.

The preliminary 2003 benchmark for Financial Activities showed annual average employment was 37,200, an increase of 600 jobs from final 2002 benchmark. The revised (pre-benchmarked) estimate was adjusted both upward and downward from month to month within a range of 200 or 0.5 percent.

Professional and Business Services supersector



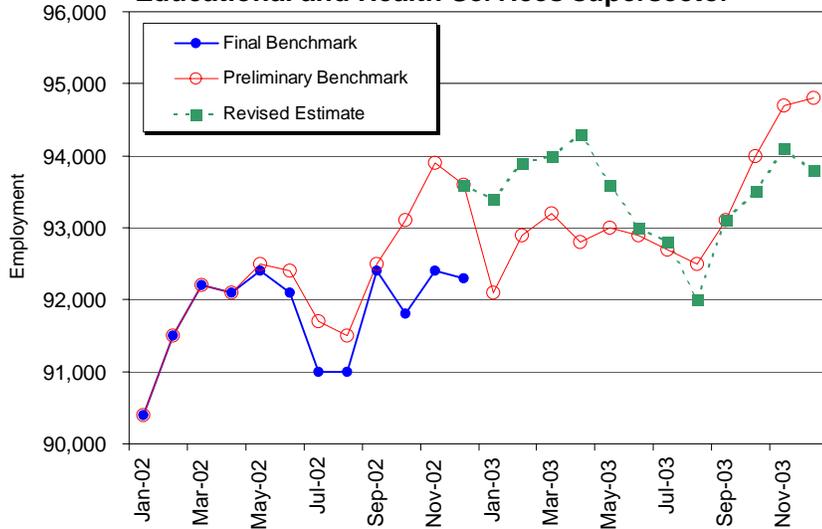
Professional and Business Services supersector

Annual average employment in the Professional and Business Services supersector decreased 2,700 from 2001 to 2002. This 4.7 percent decline brought this supersector's annual average employment to 54,300 in 2002. The final 2002 benchmark estimates were re-adjusted upward the last nine months of the year. These adjustments ranged from a low of 500 in April and December to a high of 1,800 in August.

The preliminary 2003 benchmark estimated employment at 53,900, an upward adjustment of 1,300 or 2.5 percent from the revised 2003 estimates. During the first quarter of 2003 the preliminary benchmark required mini-

mal adjustments to the revised estimates. The remaining months, however, required upward employment adjustments ranging from 1,400 in October and November to 2,300 in June.

Educational and Health Services supersector



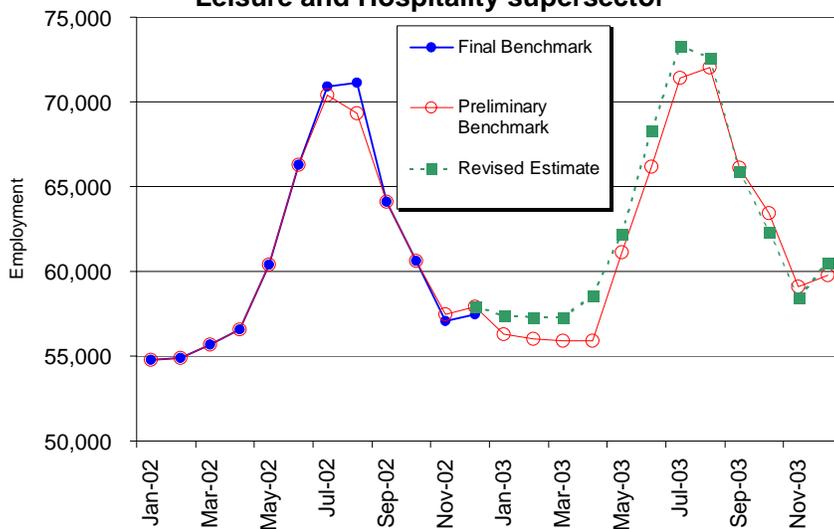
Educational and Health Services supersector

The Educational and Health Services' final benchmark average annual employment increased 2,800 from 2001 to 91,800 in 2002. The preliminary 2002 benchmark for Educational and Health Services was re-adjusted downward for eight months of the year with adjustments as large as 1,300 to 1,500 in October, November and December.

The preliminary 2003 benchmark for Educational and Health Services was 93,200, an increase of 1,400 from final benchmark 2002. Overall, a minor downward adjustment of 300 jobs or

0.3 percent was made to the revised (pre-benchmarked) estimate. On the other hand the revised (pre-benchmarked) estimate from month to month was over-estimated for the first seven months in 2003, ranging from 100 to 1,500 jobs and four of the five last months in 2003 were under-estimated between 500 and 1,000 jobs.

Leisure and Hospitality supersector



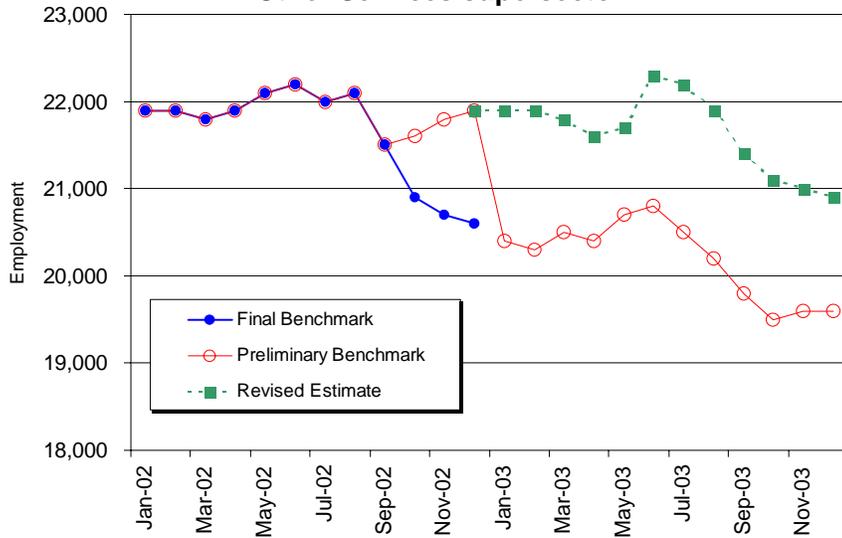
Leisure and Hospitality supersector

Leisure and Hospitality's final benchmark annual average employment increased 1,300 from 59,500 in 2001 to 60,800 in 2002 with seasonal employment reaching a high of 71,100 in August 2002. The preliminary benchmark for June 2002 and August 2002 was re-adjusted upward by 500 and 1,800 jobs, respectively.

The preliminary benchmark for 2003 was 61,900, up 1,100 jobs from the final 2002 benchmark. The season peaked in August 2003 with about 72,000 jobs.

The revised (pre-benchmarked) estimates for 2003 were adjusted downward ten out of the twelve months. The downward adjustments ranged from 600 in August to 2,700 in April. October and November were adjusted upward by 200 and 1,400 jobs, respectively. The overall adjustment for the year was downward by 1,000 jobs or 1.6 percent.

Other Services supersector



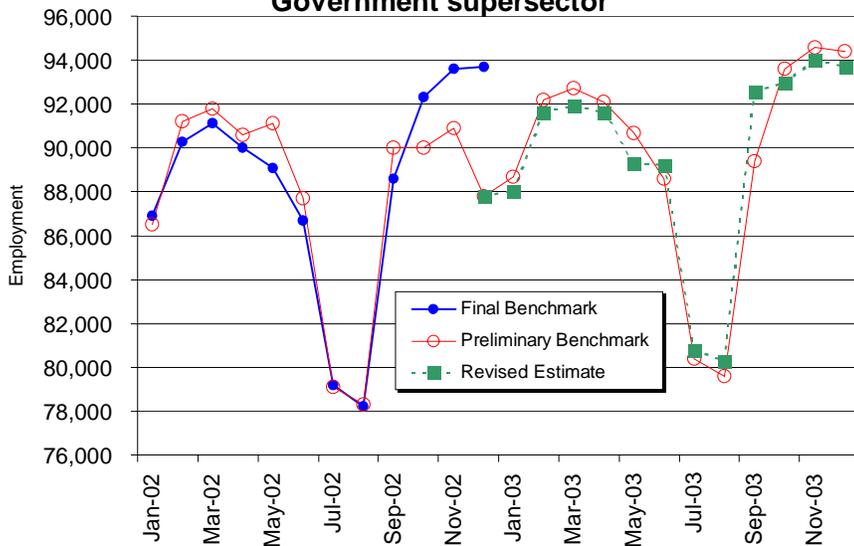
Other Services supersector

The Other Services supersector lost 2,000 jobs, dropping annual average employment from 23,600 in 2001 to 21,600 in 2002. The final 2002 benchmark estimates re-adjusted employment downward during the last quarter of the year. These adjustments ranged from 700 or 3.2 percent in October to 1,300 or 5.9 percent in December.

The preliminary 2003 benchmark estimated employment at 20,200 for the year. This was a downward adjustment of 1,500 jobs or 6.5 percent from the revised (pre-benchmarked) estimates. During the preliminary 2003 benchmark process, employment was

adjusted down every month. The adjustments ranged from 1,000 to 1,700 or from 4.6 to 7.8 percent. This supersector contains establishments that provide a service that doesn't fit into any specific classification code. They range from equipment and machinery repairing to pet care services to drycleaning and laundry services. Oftentimes estimating employment for this supersector is challenging because of the wide spectrum of establishments it covers.

Government supersector



Government supersector

The final 2002 benchmark increased Government employment by 2,500 to an annual average of 88,300 in 2002. The preliminary 2002 benchmark was re-adjusted downward seven months, ranging between 100 and 2,000 jobs each month. The last three months of 2002 were re-adjusted upward between 2,300 and 5,900 each month.

The increase in employment between the final 2002 benchmark and preliminary 2003 benchmark was 1,500, ending the preliminary benchmark's annual average for 2003 at 89,800 jobs. The revised (pre-benchmarked) estimates for 2003 were adjusted upward eight

months between 500 and 1,400 jobs and June to September 2003 were adjusted downward between 400 and 3,200 jobs. As the adjustments from month to month went both upward and downward, the overall adjustment for the year was downward with only 100 or 0.1 percent.

Detailed Employment & Earnings data

The employment data used in this analysis can be downloaded in spreadsheet format from our web site at: www.nhes.state.nh.us/elmi/nonfarm.htm, or call (603) 228-4124.

For more information about this analysis, contact Annette Nielsen at 229-4427 or Elisabeth Picard at 229-4426.

About CES

In order to gauge the state's economy in a timely manner, CES estimates employment each month from a sample of New Hampshire employers. Because it is based on a sample, the data is necessarily incomplete. At the end of each calendar year, CES employment estimates are revised, or benchmarked. The benchmark integrates the latest covered employment numbers from payroll reports submitted quarterly to New Hampshire Employment Security by New Hampshire employers subject to unemployment compensation law. The benchmark process allows an opportunity to adjust sample-based estimates to actual counts of jobs with New Hampshire employers. The resulting product offers a more accurate picture of the New Hampshire economy than could be achieved with sample-based estimates alone.

If you have any questions about CES, please contact Bernhard McKay at (603) 228-4127.